VZCZCXRO7178 RR RUEHAG RUEHDF RUEHLZ DE RUEHRL #1387/01 3071233 ZNR UUUUU ZZH R 031233Z NOV 09 FM AMEMBASSY BERLIN TO RUEHC/SECSTATE WASHDC 5660 INFO RHEHAAA/WHITE HOUSE WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RHEFDIA/DIA WASHINGTON DC RUEAIIA/CIA WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RUCNFRG/FRG COLLECTIVE RUEHBS/AMEMBASSY BRUSSELS 1697 RUEHLO/AMEMBASSY LONDON 0409 RUEHFR/AMEMBASSY PARIS 0927 RUEHRO/AMEMBASSY ROME 2437 RUEHNO/USMISSION USNATO 1452 RUEHVEN/USMISSION USOSCE 0629 RHMFIUU/HQ USAFE RAMSTEIN AB GE RHMFISS/HQ USEUCOM VAIHINGEN GE//J5 DIRECTORATE (MC)// RHMFISS/CDRUSAREUR HEIDELBERG GE RUKAAKC/UDITDUSAREUR HEIDELBERG GE UNCLAS SECTION 01 OF 07 BERLIN 001387 STATE FOR INR/R/MR, EUR/PAPD, EUR/PPA, EUR/CE, INR/EUC, INR/P, SECDEF FOR USDP/ISA/DSAA, DIA FOR DC-4A VIENNA FOR CSBM, CSCE, PAA "PERISHABLE INFORMATION -- DO NOT SERVICE" SIPDIS E.O. 12958: N/A TAGS: OPRC KMDR KPAO XF AG GM KGHG IR EFIN US GM SUBJECT: MEDIA REACTION: MIDEAST, AFGHANISTAN, U.S.-GERMANY, CLIMATE IRAN ECONOMIC, U.S., GERMANY; BERLIN <u>¶</u>1. Lead Stories Summary ¶2. (U.S.-Mideast) Clinton Visit <u>¶</u>3. (Afghanistan) Karzai Winner of Elections ¶4. (U.S.-Germany) Chancellor Merkel to Address Congress ¶5. (Environment) Climate Change <u>¶</u>6. (Iran) Nuclear Conflict (Economic) CIT Collapse **1**7. **¶8.** (U.S.) President Obama's First Year in Office Future Foreign Policy ¶9. (Germany) ¶1. Lead Stories Summary ZDF-TV's early evening newscast Heute opened with a story on President Karzai's election victory and ARD-TV's early evening newscast Tagesschau opened with a story on the rapidly increasing number of H1N1 cases. Newspapers led with diverse stories, including Afghanistan, the military draft, and the German tax debate. Editorials focused on the situation in Afghanistan. (U.S.-Mideast) Clinton Visit **¶**2. Under the headline "U.S. rejects Arab criticism," FT Deutschland (10/03) reported that "Secretary Clinton rejected the criticism Arab countries expressed on the U.S. government's policy change on the Mideast. Clinton said in Morocco that Israel had responded to U.S. and Arab demands for a settlement freeze by limiting settlement activities. After his inauguration, President Obama supported the demand for a complete settlement freeze. However, the U.S. government now expresses willingness to make concessions to its traditional ally Israel." Tagesspiegel carried a similar short story.

Karzai Winner of Elections

<u>¶</u>3.

(Afghanistan)

Lead headlines: "End of electoral farce in Afghanistan" (Die Welt),

"Runoff Cancelled-Karzai declared as winner" (Frankfurter Allgemeine).

Allgemeine),
"The Winner is Karzai," (Sddeutsche), "Karzai Remains President Without Runoff" (Tagesspiegel).

Westdeutscher Rundfunk radio (10/02) remarked: "The international community needs a partner with sufficient political support to accelerate the stabilization of the country. This person must be unflappable enough to push through unpopular measures, such as a strict fight against corruption and drug trade. Karzai is not that

man. The electoral chaos might have ended, but not the crisis in Afghanistan."

Deutschlandfunk radio (10/02) opined: "Given that Karzai's rival candidate Abdullah no longer wanted to participate in the runoff, it

was clear that Karzai would remain Afghanistan's president. However,

the way it happened is a scandal.... Abdullah rightly demanded to replace the leadership of the electoral commission after the massive

fraud, but he was not heard. The international community and particularly the U.S. did not want to confront Karzai but rather supported him after the fraud. One can no longer make the claim that

one wants to export democracy to Afghanistan."

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Tagesspiegel (10/03) remarked: "Democratic advocates should not exaggerate their outrage. NATO is in Afghanistan to prevent the Taliban from becoming stronger again and Al Qaida from returning to

the country. It must also stop the Af/Pak region from plunging into

chaos, so that Islamic radicals do not obtain nuclear bombs. Anything

else - democracy, human rights, emancipation, education, hospitals -

is of secondary importance. Will the Pashtu Karzai be helpful to pursue this strategy? This is the important question."

Frankfurter Allgemeine (10/03) editorialized on the front page: "Maybe the international community should not interfere too much and

leave it up to the Afghans to organize their state. There is only one

thing where no compromise should be made: when our security is at stake."

Under the headline "Weak president at Washington's mercy," Sddeutsche

(10/03) commented: "Afghanistan has a new president. It's the old one

and he lacks legitimacy.... If it was not Afghanistan that would be

sufficient reason to isolate the government but there is no alternative. The West is particularly to blame for this situation.

It was a mistake right from the start to support only Karzai. The tribal leaders in the region are powerful and don't care much what is

decided in Kabul. Afghanistan will not turn into a strong democracy

with a strong president like in the U.S. only because this is what Washington wanted.... Support for the international mission is waning

in the West as a whole, not just in the U.S., because there is no longer a clearly defined goal. The electoral chaos will increase this

fatigue. We need more success - and quickly - to stabilize the situation. The West must give up its focus on Kabul's central

government and intensify its contacts with tribal leaders."

In a front-page editorial under the headline "Karzai - No Democrat,"

Die Welt (10/03) said: "The procedures produced more questions than

answers. Although we know who will lead the country for the next five

years, Karzai's legitimacy was badly undermined by the massive election fraud.... At a moment when the West faces the difficult question of whether to deploy more soldiers, serious doubts have arisen. To fight insurgents successfully, you need a locally accepted

partner. Karzai no longer fully meets these requirements. He has

undermined the efforts of the West to establish democratic conditions.... However, this is not the moment to give up everything.

Too much is at stake for the West. It is, however, the moment to set

clear conditions. If Karzai is not a good democrat, he must at least

be a good technocrat - or lose the West's support... The West must

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come up with alternatives. Karzai will only take care of Afghanistan's future if is concerned about his own future."

14. (U.S.-Germany) Chancellor Merkel to Address Congress

Many papers (11/03) carried factual news reports on Chancellor Merkel's trip to the U.S. and her "historic" speech to both chambers

of Congress. Sueddeutsche (11/03) headlined: "Partners out of Reason," while Die Welt (11/03) carried a lengthy report under the headline: "Chancellor Merkel Addresses U.S. Congress." Both papers

emphasize that Merkel is the second chancellor after Konrad-Adenauer who has been invited to do this. They emphasize that it is a "great honor" (Die Welt) to do this. The papers emphasize that Merkel will primarily address the climate issue and try to convince Congress of the need to adopt climate protection goals.

Commercial TV station n-tv (11/02) aired the following report from its

Washington correspondent: "The chancellor is well known and she is held in high regard in the U.S. An insider, a Democrat from the White  $\ \ \,$ 

House, told me last week that the relationship between President Obama

and Chancellor Merkel is not as close as the one between Merkel and

Bush, but, nevertheless, there is a good working atmosphere and the

president is always interested in what Mrs. Merkel has to say on certain issues. Foreign Minister Westerwelle, however, is an unknown

quantity. His last trip to the U.S. took place in 2004. But one expects that he will follow the great lines of Germany's foreign policy as a 'post-post-successor' of ex-Foreign Minister Genscher and

that there will not be great changes in German foreign policy.

Die Welt (11/03) judged: "In her speech to both houses of Congress,

Chancellor Merkel will thank the American people. The chancellor will

take advantage of this honor to look back at the Fall of the Wall.

The former GDR civil rights activist Merkel, whose biography reflects

the decision and the unification of the nation, has never had any doubt about the significance of German-U.S. friendship. Nevertheless,

despite her reliability...it will not be easy for her to strike the

right tone in Washington. The political agenda in Berlin and Washington is currently different. She wants to press the United States to take farther reaching steps in climate protection. But the

corresponding committee in Congress that deals with climate protection  $% \left( 1\right) =\left( 1\right) +\left( 1\right) +\left($ 

will also make clear on Tuesday how controversial a corresponding bill

will be in Congress. That is why Congress will open a friendly ear to  $% \left( 1\right) =\left( 1\right) +\left( 1$ 

the guest from Germany, but more cannot be expected."

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Berliner Zeitung (11/03) has this to say: "For the Americans, Merkel

is the personification of a grand U.S. idea: It is worthwhile to fight for freedom and democracy, as the Americans did when fighting

for Germany's liberation from fascism. In the American eye, there

is no better evidence of a better world than the democratic economically prospering Germany. But when the United States celebrates Merkel, tit is also celebrating itself."

Thringer Allgemeine of Erfurt (11/03) argued: "At the latest today,

the climate chancellor will run out of steam in Washington. In an historic speech to U.S. Congress she will try to convince America of

the need to agree on far-reaching climate protection goals. But Merkel will not have the stamina to do this. In Afghanistan, the situation is very bad for the U.S. President. A troop surge costing

one billion U.S. dollar per month and an expensive healthcare reform

initiative at home -- and Germany is not supporting U.S. requests?

This is something the White House is unable to explain even to the Democrats. Maybe Merkel will learn today that climate protection, according to the U.S. view, begins in the camps in Afghanistan."

Regional daily Mnchener Merkur (11/03) opined: "Merkel owes her extraordinary popularity to the fact that she cuts a good figure on

the red carpets of the world. An insignificant PR success at a third-

class EU summit leaves a greater impression among German voters than

really important decision in finance policy. Being well aware of

how important foreign policy is for her self-marketing, the global stateswoman clearly orchestrates her public appearances. In this context, the rare honor to deliver an address to both houses of Congress comes at a perfect time."

Regional daily Schweriner Volkszeitung (11/03) observed: "Credit where

credit is due. In the eyes of Americans, Angela Merkel stands for reliability and accountability, integrity and a special circumspect

policy. The fact that the chancellor as the German state leader is

allowed to deliver a speech to both houses of Congress is an expression of the esteem she enjoys [in the U.S.].

## 15. (Environment) Climate Change

ARD-TV's Tagesthemen (11/02) broadcast the following commentary: "The

climate summit from Copenhagen has been often characterized a

failure even before it has begun. O.k., the Europeans are stonewalling the

conference, while the Americans are blocking it. Nevertheless, Copenhagen is an historic chance, and as always when as much is at stake, a poker game is taking place. But when looking back, there is

reason to hope. In the meantime, an ecological way of thinking is part of midstream society. It is no longer a matter for the

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opposition but also for state leaders. In view of these developments,

it is fitting that Chancellor Merkel now have a serious talk with President Obama about this and it is why she is pressing the U.S. president to take a leading role in the climate process and not come

to Copenhagen empty-handed. We must concede that Obama did not have

much time to correct all the mistakes his predecessor made. It is not

yet certain that Copenhagen will be a success. If the conference fails, then the protection of the climate is no longer binding according to international law, and we would all feel this. The number of climate ignorants is on the decline, especially among those

who share global responsibilities. This is the best reason not to

consider Copenhagen a failure before the summit has even started."

#### 16. (Iran) Nuclear Conflict

Several papers carried factual news reports on the nuclear deal the

Iranian government concluded with Russia and France. Sueddeutsche (11/03) headlined: "Iran's Opposition Criticizes Nuclear Agreement,"

and wrote that "not only conservative hardliners but also moderate politicians who back reforms are opposed to sending uranium abroad

the West demanded. The internal debate about the project to send lowly enriched uranium from Iran abroad is being carried out in Tehran

not between supporters of President Ahmadinejad and his opponents, and

not between reformers and orthodox politicians either. The differences  $% \left( 1\right) =\left( 1\right) \left( 1\right) +\left( 1\right) \left( 1\right) \left( 1\right) +\left( 1\right) \left( 1\right) \left$ 

of opinion are visible in all political camps."

## 17. (Economic) CIT Collapse

All major dailies reported that with CIT, the 106th U.S. bank has gone

bankrupt since the beginning of the financial crisis. FAZ (11/03) carried a report under the headline: ""CIT Insolvency Cost State Billions - The Financier of Medium-Sized Businesses is Turning into

Biggest Bank Insolvency This Year." The daily reported: "CIT, based

in New York, filed for insolvency on Sunday. Measured against assets

it has, it is the greatest bankruptcy of a bank since the insolvency

of Lehman Bros. and Washington Mutual, and the fifth largest insolvency case in U.S. history. But unlike Lehman Bros., CIT hopes

to continue to exist and to conclude the insolvency procedures by the

end of the year. But it is already clear now that there will be some

losers. The collapse of the bank is the first case in which the

government must write off a loan from the rescue fund (TARP) for the

financial sector. Previous shareholders will also end up with nothing."

In an editorial, Handelsblatt opined: "'Don't waste a crisis,' was BERLIN 00001387 006 OF 007

the

early reaction of President Obama's advisor Rahm Emanuel when he warned against forfeiting the chances for a new beginning following

the financial crisis. But it was clear that there was only a small

time window for a financial reform. Now that many people are speaking of an end to the crisis and bankers are waking up from their

state of shock, this window of opportunity is closing again. But politicians only partly took advantage of this chance. We achieved

the least progress with respect to globally acting banks. As long

the big banks can rely on an implicit state guarantee to survive, they

continue to remain a risk for the entire financial system. The dangers of 'too-big-to-fail' have now become even bigger."

Frankfurter Allgemeine (10/03) had this to say: "The CIT collapse cost

the taxpayer about 2.3 billion U.S. dollars. This is the bad news,

the good news is that the government withstood the temptation to give

CIT more loans in addition to the ones the bank had already received.

The government is right to let CIT go bankrupt. And lo and behold: All

of a sudden, the bank has found a solution on its own and developed an  $% \left( 1\right) =\left( 1\right) +\left( 1\right) +\left($ 

insolvency plan, which is being supported by the creditors. It does

not guarantee the long-term survival of the bank but without an additional state loan, the bank has a chance for a new beginning."

Regional daily SchwQbische Zeitung (11/03) of Leutkirch editorialized:

"There was once a tsunami that was proclaimed in advance. For months,

people had expected the large CIT bank to go bankrupt. Everyone was

prepared and that is why this insolvency did not cause the same great

shock as did the insolvency of Lehman Bros a year ago. This shows that there is again confidence in the markets. The dangerous mood of

fear from the high point of the financial market crisis seems to be over."

### 18. (U.S.) President Obama's First Year in Office

Under the headline: "Yes, We Could," Washington correspondent Christoph von Marschall judged in an editorial in Tagesspiegel (10/03)

that "the United States is not as progressive as Obama's victory a year ago might have us believe. A year ago, the Americans elected Barack Obama with a large majority as their president. But if a miracle does not happen soon, his party will lose several upcoming regional and local elections. The broad coalition that helped him triumph in 2008 is dissolving and splitting into several groups. The

large middle class of society did not want a revolution but elected

Obama because many of his proposals sounded like reasonable alternatives to Bush's policy. Today, these Americans are waiting

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see whether he will really be able to implement them. America's middle class is skeptical whether the approaches he uses for his policy will be successful. That is why it is so difficult to use his

parliamentary majority for political advantage. The Democrats want to

be re-elected in 2010, while the Republicans do not grudge him a success. In everyday life, the United States is not as progressive as

Obama's victory made us believe a year ago. The center in the United

States is situated further to the right than in Germany. The goals

for which Obama fought in 2008 are now considered to be too leftist.

A year ago, it seemed that Barack Obama would leave his mark on the U.S. But in the meantime, it is vice versa. Yes, he can - but only if America allows him to do so."

# 19. (Germany) Future Foreign Policy

Frankfurter Allgemeine (10/03) commented: "Continuity is particularly

important in foreign policy because the reliability of a country depends on it. A new minister can therefore only marginally differ

from his predecessor. Westerwelle has made use of this little leeway

to set his own priorities during his first courtesy calls. Steinmeier

would have probably travelled to Russia after his visits to France and

Poland. The former global leader Fischer would never have dreamed of

making a stopover in The Hague on his way from Poland to Paris. However, particularly with this visit, which will soon be followed by

courtesy calls to Belgium and Luxemburg, Westerwelle is continuing a

tried and tested  $\mathtt{CDU}/\mathtt{CSU}-\mathtt{FDP}$  tradition. As Europe's largest country,

Germany did well for a long time by expressing its respect to smaller

countries. You can never have enough friends when things get difficult in Brussels."

Delawie